

AMENDED IN ASSEMBLY APRIL 14, 2011

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 150

Introduced by Assembly Member Perea
(Principal coauthor: Assembly Member V. Manuel Pérez)
(Coauthors: Assembly Members Beall and Eng)

January 18, 2011

An act to add Section 14838.8 to the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 150, as amended, Perea. Public contracts: small business and disabled veteran business enterprise participation.

Existing law, the Small Business Procurement and Contract Act, requires the Director of General Services and the heads of other state agencies that enter into contracts for the provision of goods, services, and information technology and for the construction of state facilities to establish goals for the participation of small businesses in these contracts, to provide for small business preference in the award of these contracts, to give special consideration and special assistance to small businesses, and, whenever possible, to make awards to small businesses, as specified.

This bill would, on and after July 1, 2012, authorize the Department of General Services to direct all state agencies, departments, boards, and commissions to establish the goal to achieve not less than 25% ~~small-business participation~~ *participation by small businesses and, to the extent permitted by law, not less than 5% women's business*

enterprise participation and not less than 15% minority business enterprises participation, and not less than 3% disabled veteran business enterprise participation in state procurements and contracts. The bill also would require the heads of those state agencies, departments, boards, and commissions to implement and administer the state's procurement and contract processes in order to meet or exceed the goals, and to report to the Director of General Services statistics regarding small business, women's business enterprise, minority business enterprise, and disabled veteran business enterprise participation in those agencies' procurements and contracts.

The bill would authorize the Department of General Services to establish policies and procedures to monitor the progress of the agencies toward meeting the goal of not less than 25% ~~small business participation~~ *participation by small businesses and, to the extent permitted by law, not less than 5% women's business enterprise participation and not less than 15% minority business enterprise participation*, and not less than 3% disabled veteran business enterprise participation and to provide this information to the Office of Small Business Advocate.

The bill would also authorize the Department of General Services to require a state agency, department, board, or commission that has not achieved its fiscal year goals to submit an implementation and corrective action plan, and to submit such a plan every year thereafter, as long as that agency fails to meet or exceed the goals. The bill would also authorize the department to establish criteria for such a plan, as specified. The bill would authorize the department to undertake reasonable means to assist agencies in improving small business, *women's business enterprise, minority business enterprise*, and disabled veteran business enterprise participation in those agencies' contracting.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14838.8 is added to the Government
- 2 Code, to read:
- 3 14838.8. In order to encourage small business ~~and~~, disabled
- 4 veteran business enterprise, *women's business enterprise, and*
- 5 *minority business enterprise*, participation in state contracts, the
- 6 Department of General Services may direct all state agencies,

1 departments, boards, and commissions to establish the goal to
2 achieve not less than 25-percent small business participation ~~and~~,
3 not less than 3-percent disabled veteran business enterprise
4 participation, *and, to the extent permitted by state and federal law,*
5 *not less than 5 percent women's business enterprise and not less*
6 *than 15 percent minority business enterprise participation* in state
7 procurements and contracts. If the department gives this direction,
8 all of the following apply:

9 (a) Notwithstanding any other provision of this chapter, the
10 heads of all state agencies, departments, boards, and commissions
11 shall implement procurement and contract processes in order to
12 meet the ~~goal~~ *goals* of not less than 25-percent small business
13 participation ~~and~~, not less than 3-percent disabled veteran business
14 enterprise participation, *and, to the extent permitted by state and*
15 *federal law, not less than 5 percent women's business enterprise*
16 *and not less than 15 percent minority business enterprise*
17 *participation*, and shall report to the Director of General Services
18 statistics regarding the annual participation of small businesses
19 ~~and~~, disabled veteran business enterprises, *women's business*
20 *enterprises, and minority business enterprises* in the agency's
21 procurements and contracts.

22 (b) The Department of General Services may establish policies
23 and procedures to monitor the progress of all state agencies,
24 departments, boards, and commissions toward meeting the ~~goal~~
25 *goals* of not less than 25-percent small business participation ~~and~~,
26 not less than 3-percent disabled veteran business enterprise
27 participation, *and, to the extent permitted by state and federal law,*
28 *not less than 5 percent women's business enterprise and not less*
29 *than 15 percent minority business enterprise participation*. The
30 department may regularly share information with the Office of
31 Small Business Advocate on the progress of each individual
32 agency, department, board, and commission in meeting the annual
33 ~~goal~~ *goals*, including, but not limited to, providing copies of
34 corrective action plans.

35 (c) (1) The Department of General Services may require a state
36 agency, department, board, or commission that has not achieved
37 its fiscal year ~~goal~~ *goals* of not less than 25-percent small business
38 participation ~~or~~, not less than 3-percent disabled veteran business
39 enterprise participation, *or, to the extent permitted by state and*
40 *federal law, not less than 5 percent women's business enterprise*

1 *and not less than 15 percent minority business enterprise*
2 *participation* to submit an implementation and corrective action
3 plan, and to submit such a plan annually thereafter, as long as that
4 agency fails to meet or exceed the ~~goal~~ *goals*. The department may
5 establish criteria for such a plan and publish those criteria in the
6 State Administrative Manual.

7 (2) The Department of General Services may undertake
8 reasonable means to assist agencies in improving small business,
9 *disabled veteran business enterprise, women's business enterprise,*
10 *and minority business enterprise* participation in their contracting,
11 including entering into memoranda of understanding with the
12 agencies that have not met the ~~goal~~ *goals*.

13 (d) The Department of General Services shall establish in the
14 State Administrative Manual and the State Contracting Manual
15 policies for all state agencies, departments, boards, and
16 commissions to use the contracting procedure authorized in Section
17 ~~14838 to contract with small businesses and disabled veteran~~
18 ~~business enterprises. 14838.~~

19 (e) The Department of General Services shall actively promote
20 small business ~~and~~, disabled veteran business enterprise, *women's*
21 *business enterprise, and minority business enterprise* certification.

22 (f) *For purposes of this section, the following terms shall be*
23 *defined as follows:*

24 (1) *"Disabled veteran business enterprise" shall have the same*
25 *meaning as in Section 999 of the Military and Veterans Code.*

26 (2) *"Minority business enterprise" shall have the same meaning*
27 *as in Section 16851.*

28 (3) *"Women's business enterprise" shall have the same meaning*
29 *as in Section 16851.*

30 (f)

31 (g) This section shall become operative on July 1, 2012.

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